

## Message Text

LIMITED OFFICIAL USE

PAGE 01 MANILA 17854 220638Z

11

ACTION TRSE-00

INFO OCT-01 EA-07 ISO-00 CIAE-00 PM-04 H-02 INR-07 L-03

NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06

AID-05 COME-00 EB-07 FRB-03 XMB-02 OPIC-03 CIEP-01

LAB-04 SIL-01 OMB-01 STR-04 CEA-01 NEA-10 IO-10 /106 W

----- 121871

R 220415Z DEC 75

FM AMEMBASSY MANILA

TO SECSTATE WASHDC 0584

LIMITED OFFICIAL USE MANILA 17854

E. O. 11652: ADS, DECLAS 3/31/76

TAGS: EAID, EFIN

SUBJECT: U.S. SUBSCRIPTION TO FIRST ADB ORDINARY CAPITAL INCREASE

USADB

FOR NAC AGENCIES

PASS TREASURY FOR BUSHNELL/ZINMAN

REF: (A) MAILA 16355; (B) MANILA 16874; (C) TRSY 75-199;

(D) TRSY 75-220

1. AT MEETING DECEMBER 18, ADB BOARD OF DIRECTORS APPROVED  
FURTHER EXTENSION OF TIME FOR SUBSCRIPTION TO INCREASE IN  
AUTHORIZED CAPITAL STOCK FROM DECEMBER 31, 1975 TO JUNE 30, 1976.

2. CANADIAN DIRECTOR INQUIRED WHAT SIGNIFICANCE COULD BE  
ATTACHED TO A REQUEST FOR A SIX MONTH EXTENSION SINCE AN  
ADDITIONAL EXTENSION WOULD PROBABLY BE NEEDED FOR THE  
THIRD TRANCHE. ADB PRESIDENT EXPLAINED THAT THE SIX MONTH  
EXTENSION WAS REQUESTED BY THE U.S. AND THAT THIS EXTENSION  
WOULD PERMIT A THIRD TRANCHE PAYMENT ONE YEAR AFTER PAYMENT

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 MANILA 17854 220638Z

OF THE SECOND TRANCHE.

3. THE KOREAN, INDONESIAN AND PAKISTANI DIRECTORS SUPPORTED THE PROPOSED EXTENSION BUT NO OTHER DONOR COUNTRY DIRECTOR MADE COMMENT.

4. AFTER ADB PRESIDENT ANNOUNCED APPROVAL, U.S. DIRECTOR THANKED BOARD AND TOOK OCCASION TO EXPLAIN IN DETAIL U.S. UNILATERAL OFFER TO ACCELERATE EARLY ENCASHMENT OF U.S. DEMAND NOTES ALONG LINES REFTEL D PARAGRAPHS 3 AND 4. ADB PRESIDENT THANKED U.S. FOR OFFER THAT WOULD IMPROVE BANK INCOME.

5. U.K. DIRECTOR SAID THAT U.S. OFFER IS AN EXAMPLE THAT OTHER DONOR COUNTRIES MIGHT FOLLOW. ADB PRESIDENT EXPLAINED THAT GERMANY, SWITZERLAND, ITALY, AUSTRIA AND NORWAY MADE CASH PAYMENTS AND DID NOT USE THE DEMAND NOTES METHOD. U.S. DIRECTOR EXPLAINED THAT OBJECTIVE OF U.S. OFFER IS TO DEMONSTRATE SUPPORT OF THE BANK AND TO HELP BANK INCOME NOW. ADB PRESIDENT SAID HE PARTICULARLY APPRECIATED U.S. OFFER OF COST FREE FUNDS NOW BECAUSE OF THE CUMULATIVE EFFECT ON BANK INCOME.

6. AFTER MEETING, BANK MANAGEMENT AND U.K., JAPANESE, AND AUSTRALIAN DIRECTORS WERE PROVIDED COPIES OF U.S. STATEMENT AT THEIR REQUEST.

7. ON FOLLOWING DAY, DECEMBER 19, ADB PRESIDENT PROVIDED COPY OF LETTER TO U.S. GOVERNOR EXPRESSING APPRECIATION FOR THE OFFER OF ADVANCE ENCASHMENT OF U.S. DEMAND NOTES. LETTER BEING POUCHED DECEMBER 22.  
SULLIVAN

LIMITED OFFICIAL USE

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** CAPITAL (FINANCE)  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 22 DEC 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** MorefiRH  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975MANILA17854  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D750443-0798  
**From:** MANILA  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1975/newtext/t19751219/aaaaaqpe.tel  
**Line Count:** 93  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION TRSE  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 75 MANILA 16874  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** MorefiRH  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 23 JUL 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <23 JUL 2003 by CunninFX>; APPROVED <07 AUG 2003 by MorefiRH>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
06 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** U.S. SUBSCRIPTION TO FIRST ADB ORDINARY CAPITAL INCREASE USADB  
**TAGS:** EAID, EFIN, OGEN, US, RP, ADB  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006